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Attorneys for Plaintiff  
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the Sports Shinko Companies

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD.,	)	CV 04-00124 BMK
	)	CV 04-00127 BMK
Plaintiff,	)	
	)	CONSOLIDATED CASES
vs.	)	
	)	<b>CONCISE STATEMENT OF</b>
QK HOTEL, LLC, et al.,	)	<b>MATERIAL FACTS IN</b>
	)	<b>RESPONSE TO THE KG</b>
Defendants,	)	<b>PARTIES' MOTION FOR</b>
	)	<b>PARTIAL SUMMARY</b>
	)	<b>JUDGMENT, FILED MAY 10,</b>

and	)	<b>2007</b> ; DECLARATION OF
	)	TSUGIO FUKUDA;
FRANKLIN K. MUKAI, et al.,	)	DECLARATION OF TADASHI
	)	YOSHIDA; DECLARATION OF
Third-Party Plaintiffs,	)	DOREEN GRIFFITH;
	)	DECLARATION OF HUNGKE
vs.	)	LEE; DECLARATION OF
	)	GLENN T. MELCHINGER;
SPORTS SHINKO (USA) CO.,	)	DECLARATION OF STEVEN
LTD., et al.,	)	DOUGLAS SEARS;
	)	DECLARATION OF STEVE
Third-Party	)	SILVER; EXHIBITS 1-3; 5-6; 8-
Defendants,	)	28; 30-56; 58-59; 61-68; AND
	)	71-78 TO DECLARATIONS;
and	)	CERTIFICATE OF SERVICE
	)	
SPORTS SHINKO (HAWAII) CO.,	)	
LTD., et al.,	)	
	)	
Third-Party Defendants/	)	DATE: October 31, 2007
Counterclaimants,	)	TIME: 2 p.m.
	)	JUDGE: Barry M. Kurren
vs.	)	
	)	
QK HOTEL, LLC, et al.,	)	
	)	
Third-Party Counterclaim	)	
Defendants.	)	
	)	
AND CONSOLIDATED CASES	)	
	)	

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**CONCISE STATEMENT OF MATERIAL FACTS IN RESPONSE TO  
THE KG PARTIES' MOTION FOR PARTIAL SUMMARY  
JUDGMENT, FILED MAY 10, 2007**

Pursuant to Local Rule 56.1, Plaintiff and Third-Party Defendants the Sports Shinko Companies respectfully submit their response to the KG Parties' Concise Statement of Facts in Support of Motion for Partial Summary Judgment, filed on May 10, 2007. A number of the Exhibits referenced below are not filed with this document but will be filed in redacted form pursuant to Court order at a later time, and have been provided to the Court and opposing counsel.

	<b>KG PARTIES' FACT</b>	<b>SPORTS SHINKO COMPANIES' RESPONSE</b>
4	SS-Japan was the sole shareholder of SS-USA, which is the sole shareholder of SS-Hawaii, which is the sole shareholder of SSRHC, which is the sole shareholder of SS-Waikiki	DISPUTED. See Melchinger Dec. at ¶ 7; Ex. 78.
14	During calendar year 2004, SS-Japan made a tax-free transfer to SS-USA and subsidiaries in the amount of \$86,735,750	DISPUTED. See Griffith Dec. at ¶ 10; Ex. 65 at GT 037988; Lee Dec. at ¶ 8.

	<b>KG PARTIES' FACT</b>	<b>SPORTS SHINKO COMPANIES' RESPONSE</b>
15	In SS-USA and subsidiaries' 2004 U.S. Corporation Tax Return, no debt was reported to be owed to South Wind by SS-USA and subsidiaries	ADMITTED. <i>But see</i> Griffith Dec. at 11-14; Ex. 68.
16	As of December 31, 2004, SS-Waikiki had no liabilities, including no notes payable or other debts owing	DISPUTED. <i>See</i> Griffith Dec. at ¶¶ 4-7; Ex. 65 at GT 037988, Ex. 66; Lee Dec. at ¶¶ 3-10; Ex. 77; Melchinger Dec. at ¶ 3; Ex. 64; Sears Dec. at ¶ 3.
18	There is no signed promissory note or other signed instrument that gives rise to an enforceable debtor-creditor relationship in which SS-Waikiki is a debtor of SS-Japan	DISPUTED. <i>See</i> Fukuda Dec. at ¶¶ 8-9, 23-24; Ex. 2, Ex. 3, Ex. 11 at 117 1448-50, Ex. 12 at 022 0232 and 022 0234; Melchinger Dec. at ¶ 6
19	There is no validly executed corporate resolution from SS-Waikiki authorizing it to borrow money from SS-Japan	DISPUTED. <i>See</i> Fukuda Dec. at ¶¶ 9; 23-24; Ex. 3, Ex. 11 at 117 1448-50, Ex. 12 at 022 0232 and 022 0234; Melchinger Dec. at ¶ 6.
20	There is no validly executed corporate resolution from SS-Japan authorizing it to lend money to SS-Waikiki	DISPUTED. <i>See</i> Fukuda Dec. at ¶ 8; Ex. 2

	<b>DISPUTED MATERIAL FACT FOR TRIAL</b>	<b>SUPPORT</b>
1	SS Japan and SS-Waikiki intended to, and did, create an enforceable debt in the amount of ¥ 10 billion (the "Loan"). As of February 2002, the Loan had not been fully paid.	Fukuda Dec. at ¶¶ 6-80; Exs. 1-3, 5-6, 8-28, 30-38, 41-53, 58-59, 61-63; Yoshida Dec. at ¶ 3; Exs. 54-56, 72-76; Melchinger Dec. at ¶ 4; Ex. 64.
2	The Loan was sold to South Wind Realty Finance (Cayman) Company in December 2004. That sale did not result in any cancellation or forgiveness of the Loan.	Exs. 39-40; Griffith Dec. at ¶¶ 2- 14; Exs. 65-69; Lee Dec. at ¶¶ 2-10; Ex. 77; Sears Dec. at ¶ 3.
3	The Loan is still outstanding at this time.	Sears Dec. at ¶ 3.

DATED: Honolulu, Hawai'i, August 24, 2007.

/s/ Jason H. Kim

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